

## Message Text

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53

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 FRB-02 INR-10

NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03 CIEP-02

LAB-06 SIL-01 OMB-01 INT-08 DRC-01 /111 W

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P R 220755Z MAR 74

FM AMCONSUL ZAGREB

TO SECSTATE WASHDC PRIORITY 2355

INFO AMEMBASSY BELGRADE

AMEMBASSY BERN

USDOC WASHDC

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PASS EXIM

E.O. 11652: N/A

TAGS: EFIN, ETRD, ENRG, YO, US

SUBJECT: MAJOR PROJECTS: SOSTANJ THERMOELECTRIC PLANT

REF: A. ZAGREB 762, 10/26/73 (NOTAL);

B. ZAGREB 282, 5/23/73 (NOTAL)

SUMMARY: WESTINGHOUSE, BIDDING IN COOPERATION WITH SWISS FIRM SULZER, REPORTEDLY IN STRONG CONTENTION THIS \$100 MILLION PROJECT. OTHER SERIOUS COMPETITION GERMANS (KWU). DECISION MAY COME NEXT WEEK. WESTINGHOUSE REPRESENTATIVE PLANS PERSONALLY DELIVER CREDIT APPLICATION COVERING CIRCA \$43 MILLION US CONTENT TO EXIM MARCH 26 OR 27 IN ORDER THAT SOSTANJ MAY STILL RECEIVE CONSIDERATION SIX PERCENT FINANCING PER PRELIMINARY COMMITMENT WHICH VALID UNTIL MARCH 31, 1974. END SUMMARY

1. WESTINGHOUSE MARKETING REPRESENTATIVE PAVINICH, MARCH 21, ADVISED THAT AWARD SOSTANJ CONTRACT EXPECTED VERY SOON. WESTINGHOUSE (WITH ITS SWISS PARTNER SULZER) AND GERMAN POWER CONSORTIUM KRAFTWERKE UNION (KWU) BOTH REPORTEDLY INVITED NEXT

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WEEK FOR "FINAL" MEETINGS MARCH 27 AND 28. PAVINICH BELIEVES

THAT WESTINGHOUSE-SULZER BID PRICE COMPETITIVE AND AHEAD TECH-  
NICALLY. PRINCIPAL STRENGTH OF GERMAN BID LIES IN SOONER  
PROJECTED COMPLETION DATE.

2. IN ORDER MAINTAIN CLAIM TO SIX PERCENT FINANCING CONTAINED  
IN OUTSTANDING PRELIMINARY COMMITMENT FROM EXIM, SOSTANJ INVESTORS  
(ACCORDING PAVINICH) HAVE BEEN WORKING VERY HARD PREPARE EXIM  
CREDIT APPLICATION TO ENABLE IMMEDIATE SUBMISSION FOLLOWING  
PROJECT AWARD. PLANS ARE FOR WESTINGHOUSE REPRESENTATIVE TO  
HAND CARRY APPLICATION TO WASHINGTON EITHER MARCH 26 OR 27 SO  
THAT EXIM VICE PRESIDENT HARRY JONES OR YUGOSLAV EMBASSY CAN  
DELIVER TO EXIM.

3. COMMENT: AWARD SOSTANJ PROJECT WITH CIRCA \$43 MILLION US  
EXPORT CONTENT WOULD CONSTITUTE ANOTHER MAJOR US SUCCESS IN  
EXPANDING YUGOSLAV ENERY MARKET. SOSTANJ CONTRACT FURTHER  
SIGNIFICANT IN THAT AS CONSEQUENCE CRUDE OIL PRICE RISE YUGOSLAVIA  
LIKELY TO LOOK INCREASINGLY TO COAL-FIRED THERMO PLANTS IN  
MEDIUM TERM.

WILSON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, PROPOSALS (BID)  
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**Copy:** SINGLE  
**Draft Date:** 22 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** A. ZAGREB 762, 10/26/73 (NOTAL);  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 JUN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <17 JUN 2002 by boyleja>; APPROVED <03 JUL 2002 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MAJOR PROJECTS: SOSTANJ THERMOELECTRIC PLANT  
**TAGS:** EFIN, ETRD, ENRG, YO, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005